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FM AMEMBASSY KOLONIA
TO RUEHC/SECSTATE WASHDC PRIORITY 2293
INFO RUEHKN/AMEMBASSY KOLONIA 2658

UNCLAS KOLONIA 000078

SENSITIVE
SIPDIS

DEPT FOR EEB/IFD/OMA: AWHITTINGTON
EAP/ANP

E.O. 12958: N/A
TAGS: [EAID](#) [ECON](#) [PREL](#) [FM](#)
SUBJECT: POST RESPONSE TO REQUEST ON FY09 PROHIBITION ON ASSISTANCE

REF: STATE 28885

¶1. (SBU) Post provides the following information regarding local government budget transparency. All questions and answers are keyed to reftel.

--Is the central government expected to receive or is it already receiving U.S. foreign assistance funded using FY 09 funds?
Yes. Through the Compact of Free Association, the USG provides substantial assistance to the central government, including executive, legislative and judicial branch operations.

--Is the host country's budget publicly available?
Yes. The FSM Congress annually passes a budget and makes it available to the public. For FY 09 (ending September 30, 2009), the FSM budget is published as Public Law 15-55 and is available for viewing at www.fsmcongress.fm.

--Are incomes and expenditures included in the publicly-available budget?
Yes. This year's budget includes the cost of operations and the sources of income for expenditures. This document accurately reflects actual government incomes and expenditures. The FSM currently receives approximately \$80 million in Compact funds and another \$30 million in technical assistance, providing a very high percentage (approaching 80%) of total annual government revenues. Thus, the national government always has a very good idea of what its income will be for the year and can plan accordingly.

HUGHESMK